

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

<b>In Re:</b>	§	
	§	<b>Chapter 11</b>
<b>W. R. GRACE &amp; CO., et al.,</b>	§	
	§	<b>Case No. 01-011397(JKF)</b>
<b>Debtors.</b>	§	<b>Jointly Administered</b>
	§	

**NOTICE OF FOURTH <sup>1</sup> INTERIM VERIFIED APPLICATION OF  
WARREN H. SMITH & ASSOCIATES AS FEE AUDITORS FOR ALLOWANCE  
OF COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

Name of Applicant:	Warren H. Smith & Associates
Authorized to Provide Services:	As Fee Auditors to the Estates
Date of Retention:	March 18, 2002
Period for Which Compensation and Reimbursement is Sought:	March 18, 2002 through March 31, 2002
Amount of Compensation Requested:	\$2,889.50
Amount of Expense Reimbursement Requested:	\$0.00

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<sup>1</sup> While this is the first application filed by Warren H. Smith and Associates, this is the fourth compensation period, so to promote consistency we will refer to this as the fourth application.

**SUMMARY OF MONTHLY FEE AND EXPENSE INVOICE STATEMENTS FOR COMPENSATION PERIOD:**

Date Filed	Period-covered	Requested		Paid	
		Fees	Expenses	Fees	Expenses
5/8/2002	March 18, 2002 – March 31, 2002	\$2,889.50	\$0.0	\$2,311.60	\$0.00

**CUMULATIVE SUMMARY OF FEES BY PROJECT CATEGORY**

Project Category	Total Hours For The Period 3/18/02 through 3/31/02	Total Hours from the Petition Date	Total Fees For The Period 3/18/02 through 3/31/02	Total Fees From The Petition Date
Accounting/Auditing	17.30	17.30	\$2,889.50	\$2,889.50

**CUMULATIVE EXPENSE SUMMARY:**

Expense Category	Total Expenses for the Period 3/18/02 through 3/31/02	Total Expense From The Petition Date
	\$0.00	\$0.00

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**Fourth <sup>2</sup> INTERIM VERIFIED APPLICATION OF  
WARREN H. SMITH & ASSOCIATES AS FEE AUDITORS FOR ALLOWANCE  
OF COMPENSATION AND FOR REIMBURSEMENT OF EXPENSES**

Pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, dated November 30, 2000 (the "Administrative Order"), and the Order Appointing Fee Auditor and Establishing Related Procedures Concerning the Allowance of Payment of Compensation and Reimbursement of Expenses of Applicants and Consideration of Fee Applications, dated March 18, 2002 (the "Fee Auditor Order"), the law firm of Warren H. Smith & Associates ("WHS") hereby files this Fourth Interim Verified Application of Warren H. Smith & Associates as Fee Auditors for Allowance of Compensation and for Reimbursement of Expenses (the "Application"). By this Application, WHS seeks that this Honorable Court award it reasonable compensation for professional legal services rendered as fee auditor for the estates of W. R. Grace & Co., et al. ("Debtors") in the amount of \$2,889.50, together with reimbursement for actual and necessary expenses incurred in the amount of \$0.00, for the period commencing March 18, 2002 through March 31, 2002 (the "Interim Period"). In support of its Application, WHS respectfully states as follows:

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<sup>2</sup> While this is the first application filed by Warren H. Smith and Associates, this is the fourth compensation period, so to promote consistency we will refer to this as the fourth application.

### **Background**

1. On April 2, 2001, the Debtors filed voluntary petitions in this Court for relief under Chapter 11 of the Bankruptcy Code (the "Code"), 11 U.S.C. §§ 101 et. seq., as amended. The Debtors continued in possession of their assets and were authorized to operate and manage their respective businesses pursuant to Bankruptcy Code §§ 1107 and 1108.

2. On March 18, 2002, this Court signed the Fee Auditor Order, approving the retention of WHS as fee auditors for Debtors. The Fee Auditor Order authorized WHS to be compensated: “ the lesser of (a) the ordinary hourly rate of the Fee Auditor for services of this nature or (b) 1% of the aggregate Applicant billings over the life of these Chapter 11 Cases (which includes both fees and expenses) reviewed by the Fee Auditor that are subject to this Order.”

### **Compensation Paid and its Source**

3. All services for which compensation is requested by WHS were performed for or on behalf of the bankruptcy estate and the Debtors and not on behalf of any committee, creditor or other person.

4. Other than interim payments from the Debtors set fourth in the notice, above, WHS has received no payment or promise for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases, and there is no agreement or understanding between WHS and any other person other than members of the firm for the sharing of compensation to be received for services rendered in these cases.

### **Summary of Services**

5. Attached hereto as Exhibit A is WHS's billing statement for the Interim Period. This statement contains detailed daily time logs describing the time expended by each attorney and para-professional for the Interim Period.

6. To the best of WHS's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Guidelines adopted by the Office of the United States Trustee, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the Administrative Order.

7. During the Interim Period, WHS spent no time seeking its own compensation. The professionals of WHS who has rendered professional services to the Debtor during the Interim Period is Warren H. Smith. The para-professional staff of WHS who have rendered professional services to the Debtors in these cases during the Interim Period are Gail Russell and James Wehrmann, legal assistants.

#### **Disbursements**

8. WHS has incurred no out-of-pocket disbursements for the Interim Period.

#### **Valuation of Services**

9. The rates charged by each of the professional persons during the Interim Period are set forth in Exhibit A. These rates are equal to or below WHS's normal hourly rates of compensation for work of this character. Attorneys and para-professionals of WHS have expended a total of 17.34 hours in connection with this matter during the Interim Period. The reasonable value of the services rendered by WHS for the Interim Period in these cases under Chapter 11 is \$2,889.50.

10. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount of fees and expenses requested by WHS is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title. Moreover, WHS has reviewed the requirements of Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and believes that this application complies with that rule.

WHEREFORE, WHS respectfully requests that an allowance be made to it in the amount of \$2,889.50 as compensation for necessary professional services rendered, and the sum of \$0.00 as reimbursement of actual necessary costs and expenses, for a total of \$2,889.50, for the period commencing March 18 , 2002 through March 31, 2002, that such sums be authorized for payment, and for such other and further relief as this Court may deem just and proper.

Dated: July 16, 2002

WARREN H. SMITH & ASSOCIATES

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Warr

900 Jackson Street  
120 Founders Square  
Dallas, Texas 75202  
(214) 698-3868

**CERTIFICATE OF SERVICE**

I, Warren H. Smith, caused the preceding report to be served by First Class United States mail on the persons on the service list attached to the original on file, this 16th day of July 2002. Copies of the service list may be obtained by contacting the undersigned.



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Warren H. Smith

**VERIFICATION**

STATE OF TEXAS           §  
                                      §       SS:  
COUNTY OF DALLAS       §

Warren H. Smith, after being duly sworn according to law, deposes and says:

1. I am the principal in the applicant firm, Warren H. Smith & Associates, and have been admitted to the bar of the Supreme Court of Texas since 1987.

2. I have personally performed many of the services rendered by Warren H. Smith & Associates as fee auditor in these cases and am thoroughly familiar with all other work performed by the professionals in the firm.

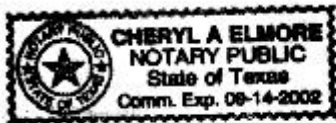
3. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and submit that the Application substantially complies with such rule.



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Warren H. Smith

SWORN TO AND SUBSCRIBED before me, a Notary Public for the State and County  
aforesaid, on \_\_\_\_\_ the  
16th day of \_\_\_\_\_ Jul  
y 2002.



  
Notary Public  
My Commission Expires: 9/14/2002



**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF DELAWARE**

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	§	<b>Chapter 11</b>
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	§	<b>Case No. 01-011397(JKF)</b>
<b>Debtors.</b>	§	<b>Jointly Administered</b>
	§	

**ORDER APPROVING FOURTH INTERIM  
VERIFIED APPLICATION OF WARREN H. SMITH & ASSOCIATES  
FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

AND NOW, this \_\_\_\_ day of \_\_\_\_\_, 2002, upon the Fourth Interim Verified Application of Warren H. Smith & Associates for Allowance of Compensation and Reimbursement of Expenses (the "Application") dated July \_\_\_\_, 2002, the Court having been satisfied that the interim compensation and reimbursement requested therein is reasonable and justified given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services and (e) the costs of comparable services in cases other than cases under Title 11, and after notice and a hearing;

IT IS HEREBY ORDERED that the Application is approved and that the Debtors, or their successors in interest, are authorized and directed to pay to Warren H. Smith & Associates the sum of \$2,889.50 as compensation for necessary professional services rendered for the period March 18, 2002 through March 31, 2002, and the sum of \$0.00 for reimbursement of actual and necessary costs and expenses incurred for the same period.

United States Bankruptcy Judge

Service List

**The Debtors**

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**The Office of the United States Trustee**

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